



Participant Reference Guide

Welcome to TASC HSA!

We hope you will find the TASC HSA to be an efficient service and valuable benefit. This Guide will walk you through the steps that you need to complete your enrollment into the TASC HSA Plan, and explain the funds transfer process, change of election rules and procedures, how to track your account, and how to handle the end of the Plan Year. Please retain this Guide for future reference.

Here’s what you’ll find inside:

Health Savings Accounts Defined	2-3
Online Enrollment Instructions.....	4-6
Investment Account & Management.....	7
Contributions & Distributions	8-9
Plan Management & Renewal.....	10

Enjoy the Unique Benefits of a Health Savings Account

An HSA allows account-owners to pay for current healthcare expenses and save for future expenses. This tax-advantaged investment vehicle is unique in that it offers three separate tax benefits:

Pre-Tax Payroll Contributions • Tax-Free Earned Interest on Investment Funds • Tax-Free Distributions for Qualified Expenses

By establishing an HSA, you can contribute funds into your account via pre-tax salary reductions to pay for qualified healthcare expenses. The funds are held in a custodial account until a qualified healthcare expense is incurred, at which point funds can be withdrawn from the account, or you may directly access your funds with the TASC HSA Card.

Unlike an FSA, there is no use-it-or-lose-it rule! Unused balances at the end of the Plan Year are retained in the account and carried over to the subsequent Plan Years. Funds in the account belong to you (the account-owner) and are portable, meaning they stay with you even if you change employers.

And finally, an HSA allows you to invest for your future! When your HSA balance exceeds a minimum of \$2,000, those excess funds may be transferred to your HSA Investment Account to be invested in our top-rated mutual funds -- where earnings grow tax-free!



**TASC HSA Participant Portal
for Plan Enrollment and Account Management**

<https://tascparticipant.lh1ondemand.com/>

Health Savings Accounts Defined

Plan Summary and Eligibility

An HSA is established by an eligible individual to pay the qualified healthcare expenses incurred by the eligible individual and any dependents.

An eligible individual meets the following requirements:

- You must be covered under a High-Deductible Health Plan (HDHP), on the first day of the month.
- You have no other health coverage except for “permitted coverage” (such as accidental, dental, or vision coverage).
- You are not enrolled in Medicare.
- You cannot be claimed as a dependent on someone else’s tax return (spouse is excluded).

An HSA must be set-up with a qualified custodian or trustee. For the TASC HSA Plan, your account will be set-up and held at our financial institution partner, **Healthcare Bank**.

HDHP Requirements

HSAs work hand in hand with **High-Deductible Health Plans (HDHP)**. Individuals who make contributions to an HSA must be covered by an HDHP.

An HDHP has an annual deductible. In addition to the minimum deductible, there is a maximum limit on the amount of out-of-pocket expenses under the health insurance plan. Out-of-pocket expenses include deductibles, co-payments, and co-insurance. Premiums are not included. All of the HSA Limits are subject to annual cost of living adjustments.

A High-Deductible Health Plan has an annual deductible limit for individuals and families.

Visit our website to view current limits:
www.tasconline.com/benefits-limits

HSA Coordination with an FSA

Only under certain circumstances may you establish and fund an HSA in addition to funding a **Limited-Purpose Healthcare FSA**. Both accounts may be funded as long as the benefits being reimbursed through the Limited Purpose Health FSA are limited to benefits or costs not covered by the HDHP itself.

For example, if the HDHP does not cover dental or vision expenses, the Limited Health FSA may be established to reimburse only dental and vision expenses.

Plan Contributions and Limits

The contributions for an HSA through a Section 125 Plan are not subject to Federal and State (some states may vary) income tax and FICA. These contributions are made via payroll deduction. Contributions are deducted from your payroll on a pre-tax basis throughout the Plan Year and deposited via ACH into your TASC HSA. This is done on your authorization by enrolling in the Plan.

You may also make post-tax contributions to your HSA at any time in addition to your pre-tax payroll contributions.

Contributions to the TASC HSA are subject to annual limits set by the IRS. View current limits online at

www.tasconline.com/benefits-limits

How to Determine Your Maximum Contributions

Your maximum *annual* contribution is determined by adding together your *monthly* contribution limits for the year:

- Your monthly contribution limit is determined on the first day of each month that you are an eligible individual.
- A monthly contribution limit is 1/12 of the annual contribution limit based on your health plan coverage (self-only or family) for each month.

Your annual contribution limit is determined by adding together your monthly contribution limits for the year.

Your monthly contribution limit is determined on the first day of each month that you are an eligible individual.

However if you are HSA-eligible on December 1 of any given taxable year, you can be treated as an eligible individual for the full year and make a full year’s worth of HSA contributions, based upon the type of HDHP coverage (i.e., self-only or family) you have on December 1.

Please note a **testing period** applies if using this method. The testing period begins with the last month of the contribution year, December 1, and ends on the last day of the 12th month following (13 months).

If you do not continue to be an eligible individual for the entire testing period, (for reasons other than death or disability), the difference between your monthly determined maximum and the amount you contributed is includable in your gross income for the year of failure and is subject to a 10% penalty tax.

Health Savings Accounts Defined (cont'd)

Catch-Up Contribution: For an eligible individual who is age 55 or older at the end of the tax year, the annual contribution limit is increased by \$1,000. Catch-up contributions can be made any time during the year in which the HSA participant turns 55. Unlike other limits, the HSA catch-up contribution amount is not indexed; any increase would require a statutory change.

Special Rule for Married Individuals: Married individuals with family coverage must divide their annual HSA contribution limit equally between each other, unless they agree upon a different division.

For example, if either spouse has HDHP family coverage, both spouses are treated as having family coverage and their combined maximum contribution limit is the statutory HSA contribution limit for family coverage. When both individuals have self-only coverage the amount is not divided and each individual can contribute the statutory HSA contribution limit for self-only coverage.

Married individuals with family coverage must divide their annual HSA contribution limit equally between each other, unless they agree upon a different division.

The **catch-up contribution** is excluded from this rule and if each spouse is eligible for a catch-up contribution they can each contribute up to \$1,000. The catch-up contribution cannot be combined or divided and must be contributed to the account of the individual eligible for the catch-up contribution.

Who Can Make Contributions?

Contributions to an HSA may be made by you, your employer, or anyone else who chooses to contribute on your behalf. All contributions to your HSA are counted towards your annual contribution maximum and you receive the tax benefit, regardless of who makes the contribution.. If you have two HSAs, the contributions are combined in determining your annual contribution.

Contributions to an HSA may be made **until April 15** for the prior calendar year.

No Use-It-or-Lose-It Rule

Unused HSA funds are **not** forfeited at the end of the Plan Year; instead they rollover from year-to-year. As the account-owner of the HSA, **you own the funds in the account**. In addition, if you move from one employer to another, the contributions are not lost; they are portable.

How to Get Started

1. Read through this TASC HSA *Participant Reference Guide* to understand how the TASC HSA Plan works, in addition to specific Plan information provided by your employer.
Refer to the TASC HSA *Eligible Expenses Flyer* to find out which expenses are eligible for distribution.
2. Determine your annual election based on your estimated healthcare costs for the coming Plan Year and the annual contribution limit for your Plan. Remember, unused funds rollover into the next Plan Year!
3. Enroll into the TASC HSA Plan online and set-up your Investment Account (see next page for instructions).
4. Once you are enrolled in the TASC HSA Plan, your HSA custodial account will be opened at **Healthcare Bank**.
5. TASC will process your account setup and notify you when complete. At that point, your TASC HSA account will begin to accept contributions and you will be free to access available HSA funds to pay for qualified healthcare expenses (refer to page 8 in this Guide).
6. You will receive a TASC HSA Debit Card in the mail at your home address within two weeks of enrollment to use for eligible purchases (watch for plain white envelope).

Browser Requirements

Following is a list of the browser software and the minimum versions required to ensure proper functionality within the HSA Participant Web Portal:

Browser Software	Minimum Version Required
Internet Explorer (IE)	IE 6.0
AOL (uses Internet Explorer)	IE 6.0
Firefox	1.2
Netscape Navigator	7.0
Opera	9.1
Safari	1.3.2

Online Enrollment Instructions

The first and more important step is to enroll in your Plan. Until you complete your enrollment you will not be able to access any of your HSA funds. You are able to enroll online during a specified period before the Plan Year start date as well as at any time throughout the Plan Year.

Access the TASC Enrollment website at:
<https://tascparticipant.lh1ondemand.com/>

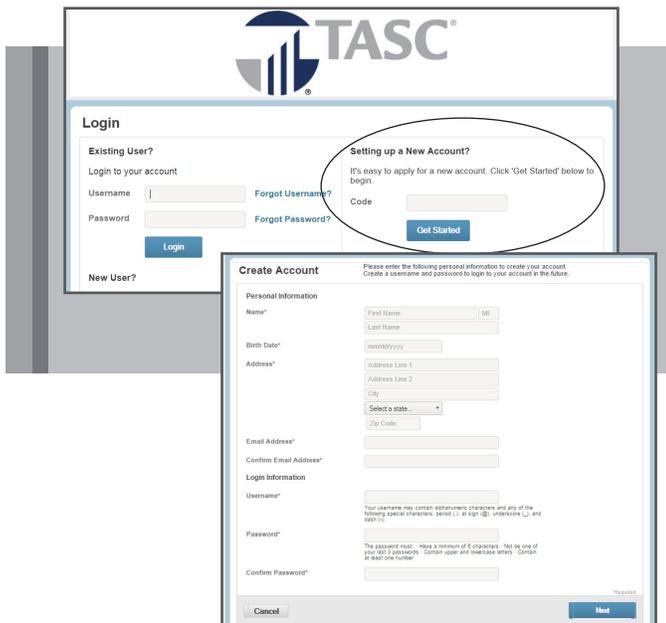
Follow the steps below to help guide you through the online enrollment process:

1. Setup New Account: When you access the Portal for the first time, you will create an Account, which will include a Username and Password to access your online account.

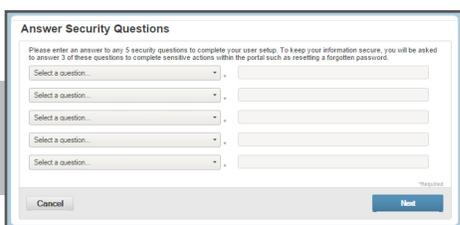
On the Login page, enter the **Employer Enrollment Code** provided by your employer in the box next to "Code" and then click "Get Started." If you don't have your employer code, contact TASC toll-free at 1-800-350-3778.

On the next page, enter your personal information to create your account.

Click Next to continue.

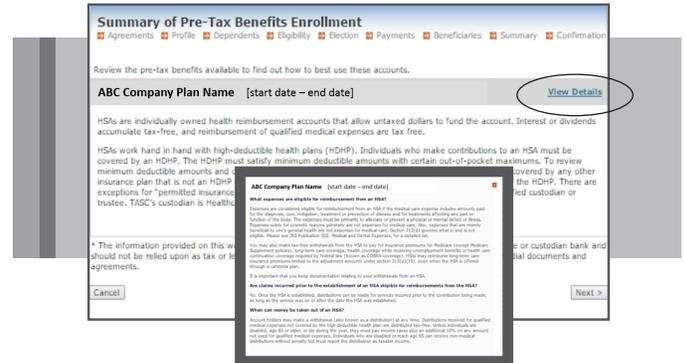


2. Answer Security Questions: Choose the security questions you want to answer and set to your account for additional security. Click Next to continue.



3. Review Plan Specifics: The Summary of Pre-Tax Benefits Enrollment page provides a link to your Plan Details. Click on "View Details" to review the specifics of your TASC HSA Plan, as defined by your employer.

Click Next to continue.



4. Accept Terms and Conditions: You must read and accept each of the Agreements listed on the HSA Enrollment Agreements page in order to activate your HSA:

You must scroll to the bottom of each Agreement page in order to "Accept" the terms (checkbox). Failure to complete this step will result in inability to make distributions.

Please note: the activation process may take place overnight and not be completed immediately, depending on enrollment volume in our system.

Click Next to continue.



Online Enrollment Instructions (cont'd)

5. Profile: Enter your personal information. Fields with a red asterisk (*) are required. Your social security number is required to set up your HSA account. Your email address allows you to receive notifications and other important information quickly. Click *Next* to continue.

6. Dependents (if applicable): Enter name(s) of dependents and click *Add Dependent*. The added dependent displays under the *My Dependents* list. Click *Next* to continue.

7. Eligibility Review: Review the HSA Qualifications and then check that you certify you are eligible for an HSA. The Qualifying Health Plan Coverage options on this screen vary depending on your Plan.

Click *Next* to continue.

8. Annual Election Amount: Enter your payroll deduction per pay period. It is up to you to make sure that your contributions to the TASC HSA do not go beyond the maximum annual limits as set by the IRS.

It is also your responsibility to make sure that your withdrawals are for qualified healthcare expenses to meet tax deductibility requirements. The enrollment software will not accept elections over the IRS limit.

Click *Next* to continue.

	My Maximum Election*	per Payroll (\$4 total)	My Election	My Total Election	Employer Contribution	Total
Health Savings Account	\$204.16		0.00	\$0.00	\$2,000.00	\$2,000.00

9. Payment Method: Select your preferred payment method for distributions and elect to receive the **TASC HSA Debit Card**.

You can expect your TASC HSA Card within 2-3 weeks after your enrollment is processed. Funds will not be available on the Card until contributions have been received.

Click *Next* to continue.

5b) If selecting **Direct Deposit** enter your bank account information. *Bank Information* fields may pre-populate based on the routing number entered. If not, enter the contact information for your bank.

Click *Next* to continue.

Online Enrollment Instructions (cont'd)

10. Beneficiaries: Select *Beneficiaries* from the *Dependents* box to pre-fill the information. Click *Add Beneficiary*.

Add a contingent beneficiary by choosing them from the *Dependents* box or complete the fields, and click *Add Beneficiary*.

Beneficiaries and Share Percentages display and you may update or remove as necessary.

Note: During enrollment, you must name your spouse as a primary beneficiary if you are married. You may change this later by submitting a notarized Beneficiary/Spousal Consent Form with your spouse's signature of consent.

Click *Next* to continue.

Completing Your Enrollment

The final step is to complete the *HSA Account Creation Authorization* requesting that an HSA be opened in your name.

Click *Submit Enrollment*.

Be sure to complete the entire process until you see the *Confirmation page* or your information will be lost.

You have now successfully completed your HSA enrollment!

You can update your enrollment at anytime during the open enrollment period from the home page by clicking *Update*.

11. Summary: Verify your *Enrollment Summary* information carefully. Click *Edit Information* in any of the sections to make corrections. Click on *Print* for a copy of your Enrollment Verification.

Click *Next* to continue.

Full Name	SSN	Birth Date	Gender	Full Time Student	Relationship
Adam Anderson	123-23-1123	9/15/1965	Male	No	Spouse
Emma Anderson	111-23-0001	6/1/2010	Female	Yes	Dependent

HSA Investment Account

One unique aspect of an HSA is the ability for you to invest some of your savings to potentially increase the value of your account and save for retirement.

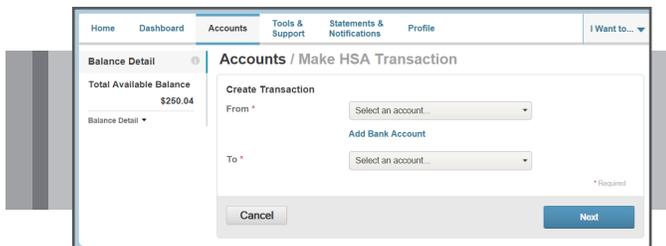
In order to invest your HSA funds, you must have a minimum balance of \$2,000 in your HSA cash account. Any dollar amount in excess of the \$2,000 may be rolled over into your HSA Investment Account via online Transfer/Distribution.

You determine how you want to allocate your money into the mutual fund options. Review the information regarding the investment options and performance to help you choose which investments you wish to place your funds.

For advice on investments choices, we recommend you contact a licensed investment expert. Neither TASC, nor your employer, can offer any investment advice.

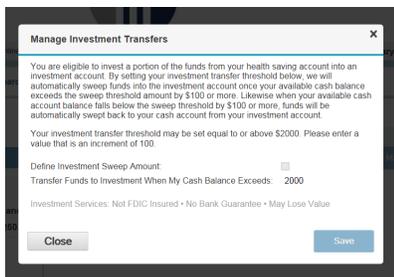
How to Transfer HSA Funds to Investment Account (must maintain \$2,000 min. HSA balance):

1. Log in to the TASC HSA Participant Portal: <https://tascparticipant.lh1ondemand.com/>
2. Click **Make HSA Transaction** in left blue menu box.
3. Select "My HSA" in the *From* dropdown menu.
4. Select "HSA Investment Account" in the *To* dropdown.
5. Enter the dollar amount to be transferred.



Automatic Investment Transfer Threshold

You may setup an automatic transfer on your account to automatically sweep a specified dollar amount from your HSA cash account to your investment account when it exceeds the minimum \$2,000 balance or higher.



Investment funds will be allocated among the mutual funds of your choice. You can also choose to have the money swept into a **Deposit Account**, which works much like a money-market account where the money is safer and provides a smaller interest rate return.

How to Set-Up/Change your Investment Elections:

1. Log in to Participant Portal.
2. On the Home page, click on *Manage Investments* in the blue menu box on left side of page.
3. Select *Investment Elections* in left side menu.
4. Select the mutual funds you wish to allocated your funds into by entering a percentage next to each selection.
5. Click on *Submit Election Change Request* to finalize your investment selections.



To setup an **Investment Transfer Threshold**, click on *Transfer Investments* and complete the information.

Managing Your Investment Account Online

The TASC HSA Participant Portal gives you complete control over your HSA investments to easily perform the following functions:

- View balance by investment.
- View fund performance.
- View transaction details.
- View fund activity and pending/activity summary.
- Realign and transfer your investment allocations.
- Set your investments to automatically adjust the balance.
- Use the tools to calculate the potential growth of your investments.



Online Contributions & Distributions

HSA Contributions

Your employer contributes your funds on a **pre-tax** basis each payroll based on your annual election amount. You may also make **after-tax** contributions to your HSA from your personal bank account online. To do so, you must setup an ACH for transfer of contributions and must have a valid email address entered with TASC.

You may add or update bank account information at any time.

The top screenshot shows the 'Accounts / Make HSA Transaction' page. It includes a 'Balance Detail' sidebar showing a total available balance of \$1,044.37. The main form has a 'From' dropdown set to '/ Checking (xxxx7088)', an 'Update Bank Account' button, and a 'To' dropdown set to 'My HSA'. A note states: 'Based on your selections, you will be requesting a contribution (deposit)'. The bottom screenshot shows the 'Transaction Details' page for a 2016 transaction. It includes a table for 'IRS Maximum Contribution Amount' and a 'Summary' section.

Tax Year	IRS Maximum	Processed	Scheduled	Pending	Maximum Contribution Available
2016	\$6,750.00	\$0.00	\$1,375.00	\$0.00	\$5,375.00
2015	\$6,650.00	\$3,000.00	\$0.00	\$0.00	\$3,650.00

How to make a Post-Tax Contribution to your HSA:

1. Log in to the TASC HSA Participant Portal: <https://tascparticipant.lh1ondemand.com/>
2. Click *Make HSA Transaction* in left blue menu box.
3. Select your bank account in the *From* dropdown.
4. Select "My HSA" in the *To* dropdown.
5. Select the Tax Year: You may make a contribution between January 1 and April 15 to the prior tax year.
6. Enter the Contribution Amount.
7. Enter any Notes (optional).
8. Select the checkbox to "Agree" to the Terms.
9. Click *Add Contribution*.

After you add a contribution, the *HSA Cash Account Details* page appears where a confirmation displays.

Change of Payroll Contribution Elections

You may change your pre-tax payroll contribution elections during the Plan Year. Simply notify your employer of the change that you wish to make to your election and they will adjust your HSA contribution amount. In addition, each Plan Year Anniversary provides you the opportunity to change elections when re-enrolling for the next year.

HSA Distributions

You can request a tax-free distribution any time an **eligible expense** has been incurred. Distributions for reasons other than a qualified medical expenses (prior to age 65) are taxable and subject to a 20% penalty tax in certain circumstances.

Upon death, disability, age 65, or upon Medicare eligibility, HSA funds can be withdrawn for **non-medical** reasons *without* penalty but will be subject to income taxes.

In the event of death, your TASC HSA funds will be distributed to your designated beneficiary.

Two Ways to Access Your HSA Funds

Conveniently pay for eligible HSA expenses using one of the following methods.

Option 1: TASC HSA Debit Card

As a feature of your TASC HSA you will be issued a TASC HSA Debit Card to facilitate the payment of eligible HSA expenses. The TASC HSA Card looks like a typical debit card, but is used to purchase eligible healthcare expenses.



When using your HSA Card, the amount of the expense is automatically deducted from your available HSA balance and paid directly to the authorized provider at the point of purchase. Card purchases are limited to merchants with an inventory information approval system (IIAS) in place to identify HSA-eligible purchases.

Although the HSA Card auto-substantiates most transactions, it is your responsibility to make sure your purchases are for qualified healthcare expenses. Remember to save your receipts and retain with your individual tax return documentation.

You may expect to receive the TASC HSA Debit Card within 2 weeks after your enrollment is processed. HSA funds will be available on the card after contributions have been received and may then be used for eligible expenses.

Additional HSA Card: An additional card may be requested online for a spouse or dependent at no charge (they must be listed as your dependent under TASC HSA).

Lost or stolen TASC HSA Card: If a card is lost or stolen, please report the lost or stolen card to TASC immediately and request a replacement card online via the TASC HSA Portal. A new card will be reissued within 7 to 10 days, and a \$10.00 reissue fee will be automatically withdrawn from your HSA.

Online Contributions & Distributions (cont'd)

Option 2: Request a Distribution Online

Easily access funds in your TASC HSA account at any time via the Participant Portal to use for eligible expenses. Additional documentation may be required to substantiate the distribution so be sure to save your receipts.

Distribution Requirements

You may only request a distribution up to the current balance of your TASC HSA account. If funds in the account are insufficient, only the available balance in that account will be issued. The outstanding balance of the distribution request will not be reimbursed. An additional distribution request must be submitted once additional funds are available in the account to pay for any remaining balance.

Be sure to enter your current bank account information under your online Profile.

Expenses Eligible for HSA Distributions

Expenses are considered eligible for distribution from an HSA if the healthcare expense includes amounts paid for the diagnosis, cure, mitigation, treatment, or prevention of disease, and for treatments affecting any part or function of the body.

The expenses must be primarily intended to alleviate or prevent a physical or mental defect, or illness. In general, expenses solely for cosmetic care are not deemed as qualified medical care, nor are expenses that are merely beneficial to one's general health.

Appropriate HSA expenditures include Medicare insurance premiums (except Medicare Supplement policies), long-term care coverage, health coverage while receiving unemployment benefits, and healthcare continuation coverage required by federal law (known as COBRA coverage). HSAs may reimburse long-term care insurance premiums limited to the adjustment amounts under Section 213(d)(10), even when the HSA is offered through a Cafeteria Plan.

Refer to the *TASC HSA Eligible Expenses Flyer* for a summary list of eligible expenses.

IRS Publication 502, Medical and Dental Expenses (Section 213(d)) governs what is and is not eligible and includes a detailed list.

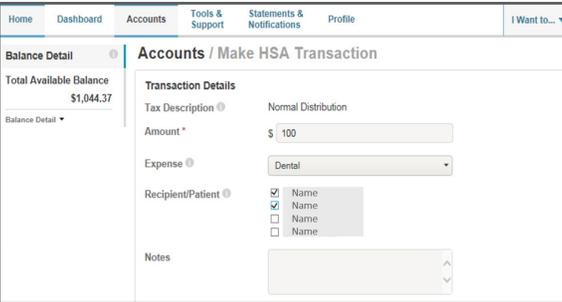
It is important that you retain pertinent documentation (receipts) regarding distributions from your TASC HSA.

How to Request a Distribution:

1. Log in to the TASC HSA Participant Portal: <https://tascparticipant.lh1ondemand.com/>
2. Click *Make HSA Transaction* in left blue menu box.
3. Select "My HSA" in the *From* dropdown.
4. Select an option in the *To* dropdown:
- Personal Bank Account
5. Click *Next* to continue.



6. Select distribution frequency: One-time or recurring option (complete Schedule information). Click *Next*.
7. Enter the dollar amount you wish to distribute.
8. Enter the expense type, names of recipients, and any notes (optional). Click *Next*.
9. Review and "Agree" to the Terms. Click *Submit*.



A confirmation page will appear.

Managing your TASC HSA is easy with our secure website

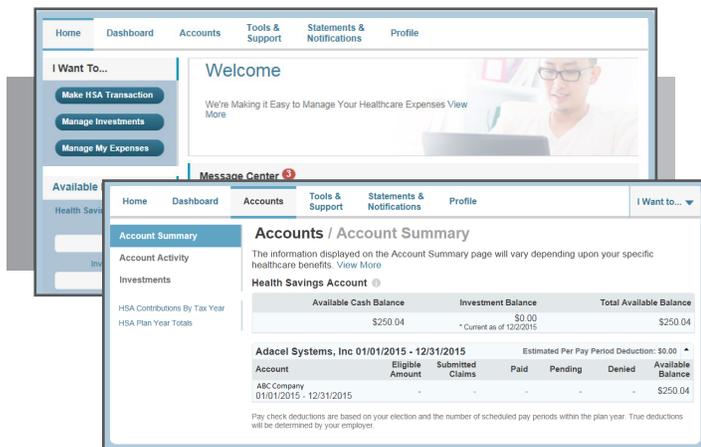
Plan Management & Renewal

available to you 24/7/365.

Online Plan Management

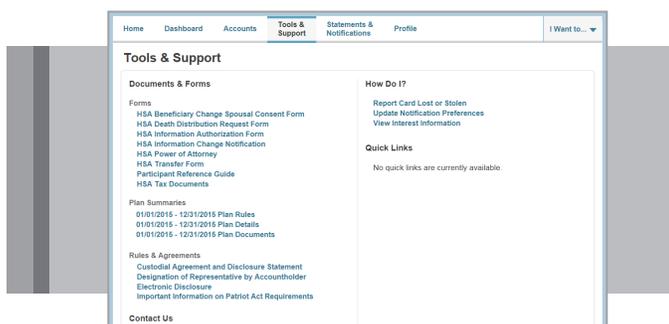
In addition to making online Contributions and Distributions, you can log in to the Participant Portal any time to access your TASC HSA and Investment Account and perform any of the following functions:

- Monitor account balances and transactions
- Change payment methods and bank accounts
- View statements and notifications
- Access important Plan documents and forms
- Update profile, dependents, and beneficiaries



Online Tools & Support

Multiple documents and forms associated with the TASC HSA are available on the Participant Portal to help understand and manage your account. Go to **Tools & Support** in the Participant Portal.



Online Plan Renewal

Near the end of the Plan Year you will have the opportunity to re-enroll in the TASC HSA Plan. Your employer may change Plan parameters at this time as well. Any balances remaining in your HSA Plan will automatically carry forward to your new Plan Year.



Once you receive notification from your employer that your open enrollment has begun, you will be able to make your new Plan Year elections at this time.

Log in to your account and you will be prompted to follow the steps for re-enrollment. NOTE: Elections do not automatically renew into the new Plan Year. You must indicate your elections for every Plan Year.

Year-End Tax Forms

Healthcare Bank will send the following tax forms to any HSA account-owner with distribution and/or contribution activity during the previous Plan Year:

- **Form 1099-SA** - if distribution activity in prior Plan Year. (sent in January)
- **Form 5498-SA** - if contribution activity in prior Plan Year. (sent in May); HSA account-owner must report their contributions on **Form 8889** when filing their Federal tax return.

Customer Care Support

In addition to the Participant Portal, we have Customer Care Representatives who are ready to assist you with any questions you may have.

Customer Care Contact:

1-800-350-3778

8:00 am - 5:00 pm, Monday through Friday

hsa@tasconline.com

Total Administrative Services, Inc.

2302 International Lane, Madison, WI 53704-3140

800.350.3778 | fax 608.245.3623 | www.tasconline.com

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10